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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

SHANG, ANNAN Q

ART UNIT	PAPER NUMBER
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2623

MAIL DATE	DELIVERY MODE
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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/072,471

Applicant(s)

HUNTER ET AL.

Examiner

Annan Q. Shang

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 February 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-9 and 11-38 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-9 and 11-38 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>4/6/07</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 15, 18-19 and 21 are rejected under 35 U.S.C. 102(e) as being anticipated by **Lowthert et al (2002/0100043)**.

As to claim 15, note the **Lowthert** reference figures 1-5, discloses content with advertisement information segment and further discloses a player device (R-10) for generating audio visual signals representative of entertainment content with advertisements, the device comprising:

A Reader mechanism (Controller C-40) configured for reading entertainment content prerecorded on a first medium and reading advertisements pre-recorded on a second medium; and a processor (C-40) configured for generating command signals inserting advertisements read by the reader mechanism from the second medium into entertainment content read by the reader mechanism from the first medium (page 4, [0045-0049]).

As to claims 18 and 19, Lowthert further discloses where the player device comprises a reader mechanism includes a single optical pickup and where the first and second media are mechanically, sequentially moved for reading (page 2, [0035] and [0043-0048]).

As to claim 21, Lowthert further discloses an input (PD-14) for displaying signals from a broadcast content source and inserting advertisements prerecorded on the second medium into the broadcast content (page, [0019] and [0043-0049]).

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 16, 17 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** as applied to claim 15 above, and in view of **Macrae et al (2004/0103439)**.

As to claims 16-17, Lowthert further discloses a VCR, hard disk, CD-R, CD-RW, DVD-R, etc., but fails to explicitly teach where the reader mechanism comprises a first reader for reading the first medium containing the entertainment content and a second reader for reading the second medium containing the advertisements.

However, note the **Macrae** reference figures 1 and 7, discloses access to Internet data through a TV system and further discloses a plurality of reading

mechanism, one for reading time-shifted TV program and the for reading advertisements or Internet data (page 4, [0037-0039], [0044] and [0056-0062]).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Macrae into the system of Lowthert to independent control the recording/display TV program or advertisement so that both TV viewing and advertisement may be perform simultaneously.

As to claim 20, Lowthert further discloses a memory device storing read data to permit seamless, uninterrupted insertion of advertisements into entertainment content (page. 3, [0036] and [0047-0049]).

5. Claims 1, 5-9, 11, 22-27, 30, 31, 34, 35 and 38 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Picco et al (6,029,045)**.

As to claim 1, note the **Lowthert** reference figures 1-5, discloses content with advertisement information segment and further discloses a method of providing a consumer with entertainment content coupled with updated advertisements, comprising:

Providing player devices (Receiver 'R' 10) to a plurality of customers for use by the customers at the customer locations (R-10, page 1, [0024-0030] and [0048-0049]);

Distributing entertainment content pre-recorded on entertainment content storage media to the customer locations, the entertainment content media including insertion points for advertisements; and periodically distributing advertisements pre-recorded on advertisement storage media to the customer locations, where at least some of the

advertisements are updated before being distributed (R-10, page 1, [0024-0030] and [0048-0049]);

Where the player devices are configured such that, when a customer inserts an entertainment content medium and an advertisement medium into the player device at the customer's location, the player device displays selected entertainment pre-recorded on the advertisement medium, where the advertisements are displayed at the insertion points (page 2, [0032-0033], [0038], [0043] and [0047]); note the links to R-10 includes CD-ROM, DVD, DVD-R/RW, hard drive, removable hard drive, etc., which are physically insert at the customer location.

Lowthert is silent to updating some of previously stored or pre-recorded ads.

However, note the **Picco** reference figures 3-7, discloses system and method for inserting local content into programming content, where some of the pre-recorded ads are updated accordingly with new ads (col.6, lines 29-40, col.7, lines 9-28 and lines 33-54).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Picco into the system of Lowthert to periodically updated the pre-recorded ads and replace previously stored and now outdated ads with new ones.

As to claim 5, Lowthert further disclose where each of the ads media includes ads an index of entertainment content (page 2, [0032-0036] and [0039-0040]).

As to claims 6-7, Lowthert further disclose where the advertisements include current movie previews and where the player devices are further configured to display

the movie previews before displaying the selected entertainment content displays selected (page 3, [0036] and [0047-0049]).

As to claims 8-9, Lowthert further where the advertisements include commercial advertisements other than movie previews, where the player devices are configured to display the commercial advertisements other than movie previews before displaying the selected entertainment content (page. 3, [0036] and [0047-0049]).

As to claim 11, Lowthert further teaches generating customer preferences by analysis of customer characteristics and where the player devices are further configured to select a subset of the advertisements contained in the advertisement medium based upon customer preference (page 2, [0035-0036] and [0043-0048]).

As to claim 22, the claimed "A method of providing consumers with entertainment content coupled with updated advertisements..." is composed of the same structural elements that were discussed with respect to the rejection of claim 1.

Claim 23 is met as previously discussed with respect to claim 5.

As to claim 24, Lowthert further discloses distributing the items to the customers free of charge (page 1, [0019-0024]).

As to claim 25, Lowthert further discloses where distributing items to customers is at a charge to customers not exceeding production and shipping costs (page 2, [0034-0036] and [0047-0049]).

As to claims 26-27, Lowthert further discloses where the customers are provided with the entertainment content and updated advertisements without the necessity of the customers having cable TV or direct broadcast satellite service and inputting display

signals from a broadcast source into the player device and inserting advertisements pre-recorded on the second medium into the broadcast content (page 1, [0020-0025], [0032-0036] and [0042-0047]).

Claims 30-31 are met as previously discussed with respect to claim 1.

As to claim 34, Lowthert further discloses charging customers for playing entertainment content on a one time fee-to-own basis (page 3, [0063]).

As to claim 35, Lowthert further discloses where communicating information that is representative of the playing of entertainment content and advertisements between the customer and system operator (page 2, [0032-oo36] and [0042-0047]).

Claim 38 is met as previously discussed with respect to claims 12-13.

6. Claims 12-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Picco et al (6,029,045)** as discussed above with respect to claim 1, and further in view of **Sandstrom (6,238,763)**.

As to claims 12-13 Lowthert further discloses where the first medium comprises a disc having a diameter greater than about 125mm and less than 300mm and where the first medium comprises a disc having data recorded on a reflective layer and an optically transmissive coating having a total transmission of 635nm of less than the minimum transmission set forth as the standard DVD specification (page 2, [0021-0025] and ([0048-0049]).

However, an analogous field endeavor, **Sandstrom** discloses in figures 1-2, rewritable optical data storage disk having enhanced flatness and discloses a disc

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having a diameter greater than about 120mm and less than 135mm and coating layer of less than or equal to approximately 200nm (col.8, line 32-col.9, line 30). Furthermore, it has been held that where the general conditions of are disclosed in the prior art, except for size, it would have been obvious matter of design choice, since such modification would have involved a mere change in the size of a component, and change in size is generally recognized as being within the level of ordinary skill in the art. ***In re Rose*, 105 USPQ 237 (CCPA 1995)**. Additionally, it has been held that where the general conditions of a claim are disclosed in the prior art, except for an optimum value, it would have been obvious to one having ordinary skill in the art at the time of the invention to reach such an optimum value, since it has been held that discovering an optimum value of a result effective variable involves only routine skill in the art. ***In re Boesch*, 617 F.2d 272, 205 USPQ 215 (CCPA 1980)**.

Therefore it would have been obvious at the time of the invention to modify Lowthert and Sandstrom to construct a disk with additional coating material to enhance recording and provide a desire diameter to meet specification of specific devices.

7. Claims 2-4, 14, 36 and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Picco et al (6,029,045)** as applied to claim 1 above, and further in view of **Shear et al (2001/0042043)**.

As to claims 2-3, Lowthert as modified by Picco, fail to explicitly teach disclose storage medias with hardware security feature where display is possible if the hardware is compatible with the hardware security feature.

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However, note the **Shear** reference figures 1-3 and 12-14, discloses storage media electronic rights management in closed and connected appliances which employs hardware security feature and software to permit access to stored or recorded content on stored media (page 6, [0071-0072], [0162-0163], [0212-0213], [0280] and [0319+]).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Shear into the system of Lowthert as modified by Picco to protect content on portable storage media and manage rights to information stored on the portable storage media

Claim 4 is met as previously discussed with respect to claim 1.

As to claim 14, Lowthert as modified by Picco, fail to explicitly teach where the player devices are configured to permit downloading content from the player device to a second portable player device.

However, **Shear** further discloses a method and system that permits player devices to download content from other portable player device ([0054-0055], [0061-0068], [0162-0163], [0212-0213], [0280] and [0319+]).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Shear into the system of Lowthert as modified by Picco to allow other users with portable storage media to share stored content on a master device after meeting certain conditions.

As to claim 36, Lowthert as modified by Picco teaches all the claim limitation as previously discussed with respect to claim 22 above, but fail to teach "...downloading content..." however, this is met as previously discussed with respect to claim 14.

As to claim 37, Lowthert further teach where the player device includes a projector ([0049])

8. Claims 28-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Picco et al (6,029,045)** as applied to claim 22 above, and further in view of **Ginter et al (2004/0054630)**.

As to claims 28-29, Lowthert as modified by Picco, fail to explicitly teach shipping entertainment content on a periodic basis and where the periodic shipments are target to customer preferences.

However, **Ginter** disclose periodic shipping entertainment content on a periodic basis and where the periodic shipments are target to customer preferences ([0201-0203], [1049] and [1178-1182])

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Ginter into the system of Lowthert as modified by Picco to physically delivery up to date target content to customers irrespective of their location(s)

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9. Claims 32-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Lowthert et al (2002/0100043)** in view of **Picco et al (6,029,045)** as applied to claim 22 above, and further in view of **Russo (6,732,366)**.

As to claims 32-33, Lowthert as modified by Picco, disclose encrypting content and charging fee for playing the content, but silent to various fee payment methods, such as PPV basis and subscription basis.

However, **Russo** disclose a pay-per-play system that provides various paying method to enable a user to select a desired payment method, such as PPV basis and subscription basis (col.4, line 39-col.5, line 2 and col.6, line 46-col.7, line 35).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the teaching of Russo into the system of Lowthert as modified by Picco to enable the user to select an affordable payment method.

Response to Arguments

10. Applicant's arguments with respect to claims 1-9 and 11-38 have been considered but are moot in view of the new ground(s) of rejection. The amendment to all the claims necessitated the new ground(s) of rejection discussed above. **This office action is made final.**

Conclusion

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See

MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

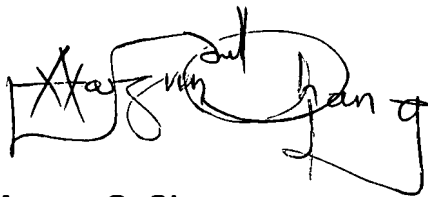
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Annan Q. Shang** whose telephone number is **571-272-7355**. The examiner can normally be reached on **700am-400pm**.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Christopher S. Kelley** can be reached on **571-272-7331**. The fax phone number for the organization where this application or proceeding is assigned is **571-273-8300**.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the **Electronic Business Center (EBC) at 866-217-9197 (toll-free)**. If you would like assistance from a **USPTO Customer Service Representative** or access to the automated information system, call **800-786-9199 (IN USA OR CANADA) or 571-272-1000**.

A handwritten signature in black ink, appearing to read 'Annan Q. Shnag', written over a rectangular box.**Annan Q. Shnag**